WHAT IS HEALTH CARE INSURANCE FRAUD?

Health care fraud is subject to a number of statutory and common-law definitions. The National Health Care Anti-Fraud Association (NHCAA) defines this fraud as:

> An intentional deception or misrepresentation that the individual or entity makes, knowing that the misrepresentation could result in some unauthorized benefit to the individual, or the entity, or to another party.

New Hampshire state law defines all insurance fraud as when someone:

Commits with a purpose to injure, defraud or deceive any insurer, knowingly submits or helps someone else to submit any oral or written statements knowing that these statements contain false, incomplete, or misleading information concerning any application claims for payment or benefits pursuant to an insurance policy.

Any person convicted of health insurance fraud may be imprisoned for up to 15 years. Any person convicted due to a fraudulent claim value exceeding $500.00 qualifies as a felony.

A person who commits health insurance fraud is attempting to gain claim dollars by fraudulent means. These violators are either deceiving or misrepresenting in making a claim or increasing the amount of a claim.

HEALTH CARE FRAUD AND ABUSE

Health care fraud and abuse have significant effects on the private and public health care industry. By its very nature, health care dollars lost to fraud can never be quantified, it can only be estimated. A common estimate of 10% is used throughout the United States. Most NHCAA private insurers place the range closer to 3-5% when asked their estimate of the proportion of health care dollars lost to fraud. When the annual U.S. Health care expenditure totals $1 TRILLION, that translates out to an annual loss of $30-$50 BILLION.

WHO COMMITS HEALTH CARE INSURANCE FRAUD?

Health care insurance fraud can be perpetrated by:

Dishonest health care providers:

Physicians	Chiropractors
Hospitals	Pharmacies
Dentist	Labs
Medical Suppliers	Nursing Homes

Consumers (Patients/Insured)

Neighbors	Friends
Co-workers	Relatives

MEDICAL PROVIDER FRAUD

The overwhelming majority of health care providers are caring, honest and ethical professionals. Unfortunately, a very small number of providers and health care organizations have chosen to cheat insurers and their patients by committing health insurance fraud. This same small amount of unethical professionals also accounts for the majority of total dollar loss to fraud.

HOW DO THEY COMMIT HEALTH CARE FRAUD?

POPULAR SCHEMES:

BILLING for Services, Procedures and /or Supplies Not provided.

Example: A pregnancy test ordered and charged to a male's bill may go unnoticed.
Example: Appointments the consumer never attends.

UPCODING. This is when the physician bills for a more expensive service at a higher fee than what was provided.

Example: Charging for an extensive office visit when actually only a routine visit was provided.

UNBUNDLING of CHARGES or CODE FRAGMENTATION
This is when the provider bills separately for services that are usually included in a single service fee.

Example: Surgery for a total abdominal hysterectomy. There is 1 code for all that involves. However, some physicians may make separate charges for each component. The sum of all the separate component fees exceeds the global fee set as a standard.

MISREPRESENTING SERVICES. This involves the provider misrepresenting or falsifying the diagnosis to obtain payments on something ineligible. The provider disguises the non-covered service as a covered service in order to have the insurance company pay for it.

Example: Surgical reduction or reconstruction of the breast is billed. The actual procedure performed was liposuction, which could be a non-covered procedure.

CONSUMERS

HOW DO THEY COMMIT HEALTH CARE INSURANCE FRAUD?

ENCOURAGEMENT. The patient/consumer encourages the health care provider to inflate or misrepresent the services provided.

CREATING RECEIPTS. With today's technology of printers and computers, the patient can create a forgery of a receipt.

FAKE CLAIMS. The patient can file fake claims for prescriptions.

ALTERING/MODIFYING. The patient modifies the actual receipt to gain more claim dollars.

HOW YOU CAN MINIMIZE THE CHANCE OF BEING VICTIMIZED?

GUARD your insurance card as you would your credit card. If approached with free offers of testing, then they DO NOT NEED your insurance policy number.

REVIEW your EXPLANATION of BENEFITS (EOB) when you receive them. If something does not seem right regarding the date of service indicated, the provider charge or the portion of the bill the carrier paid, THEN contact your insurance company.

DO NOT PROVIDE Health information over the phone. REQUEST and DEMAND any inquiries be submitted to you in writing.

DO NOT treat an injury or medical problem as a moneymaking opportunity.

SIGN ONLY ONE CLAIM FORM PER VISIT. You should also date this form to assist insurance carriers to match bills with the services. This also makes it harder for providers to double bill or bill for services never provided.

CONSULT MEDICAL PROVIDER. Before dealing with a medical supplier, consult with your provider.

REPORT SUSPECTED RIP-OFFS. If you know or suspect someone is committing health care insurance fraud, report it to the NEW HAMPSHIRE INSURANCE DEPARTMENT.

WHEN YOU SUSPECT FRAUD, YOU SHOULD….

CONTACT your health insurance company and ask to speak with a Health Claim Representative or Special Investigation Unit Be prepared to provide the following information to assist in the investigation:

Provider Name
Date of service
Your claim number and Identification number
Reason why you suspect fraud

CONTACT THE NEW HAMPSHIRE INSURANCE DEPARTMENT'S INSURANCE FRAUD UNIT

The New Hampshire Insurance Commission has established an **Insurance Fraud Unit** to assist the public and insurers in combating all insurance fraud. Staff from the Fraud Unit can assist you in reporting information, and help resolve your concerns about any suspected fraudulent activities.

YOU MAY WRITE DIRECTLY TO THE INSURANCE FRAUD UNIT AT:

NEW HAMPSHIRE INSURANCE DEPARTMENT
INSURANCE FRAUD UNIT
56 Old Suncook Road
Concord, New Hampshire 03301

YOU MAY CONTACT US AT OUR TOLL FREE NUMBER:

1-800-852-3416
(603) 271-2261

YOU MAY FAX US AT:

Tel: (603) 271-1406

YOU MAY E-MAIL US AT:

www.state.nh.us/insurance

CONSUMER REMINDER

Please **DO NOT CONFUSE** health care insurance fraud with a dispute you may have with your insurer, agent or broker.

ALL ISSUES such as:

Cancellations	Policy Language Interpretation
Nonrenewals	COBRA or State Continuation
Monetary dispute	Delays in payments

These are issues that our Consumer Division can assist you with; they too can be reached at our TOLL FREE NUMBER:

1-800-852-3416

Helpful Hint: Ask yourself: Is the provider, or the consumer, or both together deceiving and misrepresenting in making a claim or increasing the amount of the claim? Are they lying to gain claim dollars or are they lying to gain more claim dollars than what they legitimately deserve?

TOP
10
REASONS

WHY YOU SHOULD REPORT HEALTH CARE INSURANCE FRAUD…..

1. IT'S YOUR MONEY. Ultimately you pay.

2. It's a crime. If it were a business, it would be in the top 50 of Fortune 500 companies.

3. People who commit insurance fraud are cheaters and they are stealing from you.

4. Your reported information can MAKE a difference.

5. Insurance fraud can force families and businesses to live without proper protection against risk that could ruin their lives. Insurance fraud increases premiums to a point when it's unaffordable.

6. Insurance fraud causes higher premiums for consumers and reduces benefits coverage for employees.

7. Insurance fraud causes a lack of funds for new equipment and technology.

8. Insurance fraud causes businesses to loose production.

9. Insurance fraud adversely effects business to raise their prices for goods and services.

10. By the fact many others take advantage by fraudulent means, you shouldn't.